

OLL Chrono

OLL 84-1319
4 April 1984

MEMORANDUM FOR: [REDACTED] STAT

Chief, Intelligence Law Division
Office of General Counsel

FROM: [REDACTED] STAT

Legislation Division
Office of Legislative Liaison

SUBJECT: Computer Fraud Legislation

REFERENCE: a. Memo to C/ILD/OGC from LEG/OLL, dated 27 March 1984, subject same as above.

b. Memo to C/ILD/OGC from LEG/OLL, dated 14 February 1984, subject same as above.

Attached is a new bill on computer fraud, which was recently introduced into the House. The restrictions on accessing a computer without proper authorization are similar to those computer fraud bills which I transmitted to you in February. This bill was scheduled for markup by the Criminal Justice Subcommittee of the House Judiciary Committee on 5 April, but the markup has been postponed. Please provide me your comments on this bill as soon as possible.

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As stated

Distribution:
Original - Addressee
1 - OLL Chrono
1 - LEG File: Computer Security
1 - [REDACTED] Signer
1 - D/OLL
1 - DD/OLL

STAT

LEG/OLL: [REDACTED] (4 April 1984)

STAT

98TH CONGRESS
2D SESSION

H. R. 5112

To amend chapter 47 of title 18 of the United States Code to provide penalties for fraud and related activities in connection with access devices and computers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 1984

Mr. HUGHES (for himself, Mr. SAWYER, and Mr. NELSON of Florida) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend chapter 47 of title 18 of the United States Code to provide penalties for fraud and related activities in connection with access devices and computers, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*
- 2 *That this Act may be cited as the "Counterfeit Access*
- 3 *Device and Computer Fraud and Abuse Act of 1984".*
- 4
- 5 **SEC. 2. (a) Chapter 47 of title 18 of the United States**
- 6 **Code is amended by adding at the end thereof the following:**

1 **“§ 1029. Fraud and related activity in connection with**
2 **access devices**

3 **“(a) Whoever—**

4 “(1) knowingly and without lawful authority pro-
5 duces, buys, sells, or transfers a fraudulent access
6 device; or

7 “(2) knowingly produces, buys, sells, transfers, or
8 possesses device-making equipment, with the intent
9 that such equipment be used in the production of a
10 fraudulent access device;

11 and thereby affects interstate or foreign commerce, and either
12 obtains by means of such conduct anything of a value aggre-
13 gating \$5,000 or more during any one year period, or pos-
14 sesses ten or more fraudulent access devices in connection
15 with such conduct shall be punished as provided in subsection
16 (c) of this section.

17 “(b) Whoever attempts to commit an offense under sub-
18 section (a) of this section shall be punished as provided in
19 subsection (c) of this section.

20 “(c) The punishment for an offense under subsection (a)
21 or (b) of this section is—

22 “(1) a fine of not more than \$10,000 or imprison-
23 ment for not more than ten years, or both, if the of-
24 fense is a first offense under subsection (a)(1) of this
25 section or an attempt to commit such an offense;

1 “(2) a fine of not more than \$50,000 or imprison-
2 ment for not more than fifteen years, or both, if the
3 offense is a first offense under subsection (a)(2) of this
4 section or an attempt to commit such an offense; and

5 “(3) a fine of not more than \$100,000 or impris-
6 onment for not more than twenty years, or both, in the
7 case of a second or subsequent offense under this sec-
8 tion.

9 “(d) The United States Secret Service shall, in addition
10 to any other agency having such authority, have the authori-
11 ty to investigate offenses under this section.

12 “(e) As used in this section—

13 “(1) the term ‘access device’ means any card,
14 plate, code, account number, or other means of account
15 access existing for the purpose of obtaining, alone or in
16 conjunction with another access device, money, goods,
17 services, or any other thing of value, or for the purpose
18 of initiating a transfer of funds (other than a transfer
19 originated solely by paper instrument);

20 “(2) the term ‘fraudulent access device’ means
21 any access device or a representation, depiction, fac-
22 simile, or component of an access device that is coun-
23 terfeit, fictitious, altered, forged, lost, stolen, incom-
24 plete, fraudulently obtained, or obtained as part of a
25 scheme to defraud;

1 “(3) the term ‘produce’ includes design, alter, au-
2 thenticate, duplicate, or assemble; and

3 “(4) the term ‘device-making equipment’ means
4 any equipment, mechanism, or impression specially de-
5 signed or primarily used, for making an access device,
6 a false access device, or any component thereof.

7 **“§ 1030. Fraud and related activity in connection with**
8 **computers**

9 “(a) Whoever—

10 “(1) knowingly accesses a computer without au-
11 thorization with the intent to execute a scheme to de-
12 fraud, and by means of such conduct obtains anything
13 of value (other than the use of the computer) aggregat-
14 ing \$5,000 or more during any one year period; or

15 “(2) knowingly accesses a computer without au-
16 thorization and by means of such conduct—

17 “(A) knowingly uses, modifies, or discloses
18 information in, or prevents authorized use of, such
19 computer; and

20 “(B) obtains anything of value or creates a
21 loss to another of a value aggregating \$5,000 or
22 more during anyone year period;

23 and thereby affects interstate or foreign commerce, shall be
24 punished as provided in subsection (c) of this section.

1 "(b) Whoever attempts to commit an offense under sub-
2 section (a) of this section shall be punished as provided in
3 subsection (c) of this section.

4 "(c) The punishment for an offense under subsection (a)
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9 section, and a fine of not more than \$100,000 or im-
10 prisonment for not more than twenty years, or both, if
11 the offense is a second or subsequent offense under
12 such subsection (a)(1); and

13 "(2) a fine of not more than twice the value ob-
14 tained or loss created by the offense or imprisonment
15 for not more than one year, or both, if the offense is a
16 first offense under subsection (a)(2) of this section, and
17 a fine of not more than twice the value obtained or loss
18 created by the offense or imprisonment for not more
19 than twenty years, or both, if the offense is a second or
20 subsequent offense under such subsection (a)(2).

21 "(d) The United States Secret Service shall, in addition
22 to any other agency having such authority, have the authori-
23 ty to investigate offenses under this section.".

1 (b) The table of sections at the beginning of chapter 47
2 of title 18 of the United States Code is amended by adding at
3 the end the following new items:

“1029. Fraud and related activity in connection with access devices.
“1030. Fraud and related activity in connection with computers.”.

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11 **and thereby affects interstate or foreign commerce, and either**
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